

**FCC Form 481 - Carrier Annual Reporting**  
**Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	532364
<015> Study Area Name	COLTON TEL CO
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Stephanie Sauvageau
<035> Contact Telephone Number: Number of the person identified in data line <030>	5038243211 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	stephanie@coltontel.com

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
		(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<div></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<div></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<510> <div>532364or510.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<610> <div>532364or610.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability Certification	Yes <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010>	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<1100> Certify whether terrestrial backhaul options exist (Yes or No) <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting  
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<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

532364or112.pdf

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets  
 <114> Report how much universal service (USF) support was received  
 <115> How much (USF) was used to improve service quality and how support was used to improve service quality  
 <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage  
 <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity  
 <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Not Applicable

**(200) Service Outage Reporting (Voice)**

### Data Collection Form

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[illegible]

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1/1/2015

[illegible]



(710) Broadband Price Offerings  
Data Collection Form

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[illegible]

(800) Operating Companies  
Data Collection Form

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<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com
<810>	Reporting Carrier	Colton Telephone Company
<811>	Holding Company	Not Applicable
<812>	Operating Company	Colton Telephone Company

[illegible]

**(900) Tribal Lands Reporting  
Data Collection Form**

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&lt;910&gt; Tribal Land(s) on which ETC Serves

&lt;920&gt; Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

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<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).



**(1200) Terms and Condition for Lifeline Customers**

Lifeline

Data Collection Form

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532364or1210.pdf

Name of Attached Document

&lt;1210&gt; Terms &amp; Conditions of Voice Telephony Lifeline Plans

&lt;1220&gt; Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒



**[3000] Rate Of Return Carrier Additional Documentation****Data Collection Form**

FCC Form 481

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CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

532364or3010.pdf

(3010) Progress Report on 5 Year Plan  
Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.



532364or3012.pdf

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

(Yes/No)



(3014) If yes, does your company file the RUS annual report

(Yes/No)



Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)



(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows



532364or3017.pdf

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, Is your company audited?

(Yes/No)



If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications



(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows



(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit



If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,



(3023) Underlying information subjected to a review by an independent certified public accountant



(3024) Underlying information subjected to an officer certification.



(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

<010> Study Area Code	532364
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## Financial Data Summary

(3027) Revenue

2072366

(3028) Operating Expenses

1806445

(3029) Net Income

277828

(3030) Telephone Plant In Service(TPIS)

10152328

(3031) Total Assets

9412562

(3032) Total Debt

4724089

(3033) Total Equity

3833534

(3034) Dividends

0



**Certification - Reporting Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
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**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: COLTON TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date: 06/18/2015
Printed name of Authorized Officer: Steven Kroque	
Title or position of Authorized Officer: General Manager	
Telephone number of Authorized Officer: 5038249909 ext.	
Study Area Code of Reporting Carrier: 532364	Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

(700) Price Offerings including Voice Rate Data Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3050-0986/OMB Control No. 3060-0819  
July 2013

<701>	Residential Local Service Charge Effective Date	1/1/2015
<702>	Single State-wide Residential Local Service Charge	

[illegible][illegible]

## Data Collection Form

FCC Form 481

OMB Control No. 3060-0985/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	532364
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<030>	Contact Name - Person USAC should contact regarding this data	Stephanie Sauvageau
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[illegible]



**Colton Telephone Company**  
**2015**  
**PROGRESS REPORT ON SERVICE QUALITY IMPROVEMENT PLAN**

**PREAMBLE**

This document is an integral part of the Company's 2015 Annual Report, as attached to Form 481. It is in compliance with §54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161) and incorporates all further clarifications identified in subsequent Reconsideration Orders, as applicable, that were in effect at the time the Annual Report was due by Rule to the requisite regulatory authorities.

Colton Telephone Company advises that the environment in which the Company operates is dynamic, not static. As a result, certain network targets identified in its initial 5 Year Network Improvement Plan filed in 2014, may be modified in response to regulatory decisions that have been subsequently adopted, and as their implication upon the Company's financial viability in providing the required services and service level quality became known.

Modifications to the network plan may also have been taken due to changes in market demand, technology, vendor support, weather, or emergency related contingencies.

Targets not met or changed since the initial 5 Year Plan filing are identified and reasons provided for those changes.

**UNIVERSAL SERVICE SUPPORT RECEIVED IN 2015**

Per the Universal Service Administrative Company (USAC), as available for the period up to this filing, Colton Telephone received a total of \$518,331 (as of 6/30/15) in USF support funds. The breakdown of the funding to the point of filing is:

- \$224,371 High Cost Loop Support
- \$ 92,585 Connect America Fund-Intercarrier Compensation Support
- \$201,375 Interstate Common Line Support

Universal Service Support funds are used to: 1) maintain, upgrade, and improve the Company's network and, 2) cover operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband within the authorized serving area.

USF support will continue to be included in the Company's current revenue accounts and forward-looking projections. Revenues, in the aggregate, are used for both capital expenditures as well as to cover operating expenses and fixed costs incurred to obtain capital from lenders. The Company does not segregate USF separately for purposes of capital and operating expenditures; USF is expended in the same proportion as all other Company revenues.

The proportionate share of USF expenditures in 2015 to date for CAPEX is estimated to be \$57,400 (11%); for OPEX \$460,931 (89%).

In the accompanying 2015 project detail, expenditures for network improvements sometimes involve service quality, coverage and capacity as an integrated improvement project and are not mutually exclusive from one another. In terms of cost, projects involving multiple qualifiers are of equal dollar equivalence. Where a project involves a single qualifier, it is so noted.

## **PROGRESS REPORT**

### **2015**

East Side Fiber Project: Colton Telephone is utilizing unencumbered RUS loan funds as well as operating cash flow to deploy FTTH throughout the east side of the Colton exchange. Detailed information of the service areas affected can be seen on the attached map.

The East Side Fiber Project cost to date is \$3.06M (\$1.86M in 2014 and \$1.2M in 2015). The entire project is scheduled to cost approximately \$4.2M. The project involves placement of approximately 73 route miles of fiber to 674 subscribers currently served over copper. The area has approximately 500 broadband subscribers. As of June 15, 2015 all of the mainline fiber has been installed and approximately 410 homes have been upgraded to FttH connections. The remaining 264 homes are scheduled to be completed by year end. This project was staked in fall 2014 and early in 2015. Existing subscribers were informed at that time of the Company's plans to upgrade their service to FttH.

This project provides Service Quality, Coverage and Capacity upgrades.

West Side Fiber Project: In 2015 the Company invested funds in the West Side of the exchange. Costs of \$70,000 include preliminary staking in preparation of the FttH upgrade to begin in the 3<sup>rd</sup> quarter of 2015. Customers have been notified of the Company's plans to upgrade to FttH, and the majority of homes have been wired by the Company in preparation of supporting the Cyberpower battery system adjacent to the NID. This project will serve 390 homes and is expected to be substantially complete by the end of 2016.

This project provides Service Quality, Coverage and Capacity upgrades.

In 2017, when the East Side and West Side projects are complete, Colton Telephone Company will have a FttH connection to every subscriber in its exchange. The company will be equipped to provide broadband service levels at a minimum of 10M/1M, and will have substantially higher speeds, currently projected to be 75M/25M, available to every subscriber.

General Expenditures: Up through June 2015 the Company will spend \$9,100 in miscellaneous additions.





**COLTON TELEPHONE COMPANY**  
2015 Annual 54.313 Report of High-Cost Recipient

Line 510 Documentation

54.313(a)(5) Satisfaction of Consumer Protection and Service Quality Standards

Consumer Protection

Colton Telephone Company complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

Voice

Colton Telephone Company complies with the service standards of the State of Oregon as promulgated in the Oregon Administrative Rules 860-034-0390, Retail Telecommunications Service Standards for Small Telecommunications Utilities.

Broadband

Colton Telephone Company follows the service standards noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers.



**COLTON TELEPHONE COMPANY**  
2015 Annual 54.313 Report of High-Cost Recipient

Line 610 Documentation

54.313(a)(6) Ability to Remain Functional in Emergency Situations

Back-up Power

Colton Telephone Company has the following back-up power capabilities:

Switch

Katolight Generator Model D150FPV4  
150 Kilowatts with a diesel tank capacity of 550 gallons.  
Operation time of 50 hours with a full load.

Subscriber carrier

Eight remote DLC sites each contain the same back-up power capability. Batteries in each site provide 8 hours of runtime. Any power outage triggers an alarm for a technician callout. Outside plant crews provide auxiliary generators to each site to maintain power. The generators are 220v, 5000 watt, gasoline powered. A six gallon capacity allows for a runtime of 11 hours at 50% load.

Network Interface Devices (NIDs)

Colton Telephone Company has 545 customers with metallic (copper) connections to the Central Office and Subscriber Carrier sites. These NIDs are powered from the Central Office and the fiber-fed Subscriber Carrier sites. Colton also has 407 customers with fiber connections. These NID's are powered either by a connection to commercial power at the customer site or over a copper connection from the Central Office. The commercial power at each customer site is backed up by a Cyberpower battery system with an 8 hour life.

Ability to reroute traffic around damaged facilities:

Colton Telephone Company currently has 2 OC3 on redundant fiber to Molalla Communications and Canby Telephone, This ring carries toll and EAS trunking through Molalla, Canby and then to Centurylink facilities to the toll tandem. Colton also has 2 direct trunks to neighboring telephone company Beaver Creek Cooperative Telephone. These trunks carry Toll traffic as well as redundant a E911 circuit and SS7 circuit. Toll traffic can also be re-routed through a connection with neighboring Reliance Connects over a circuit provided by Western Independent Networks.

Capability to manage traffic spikes resulting from emergency situations

Colton Telephone Company has 952 customers, switching capacity of 112,000 concurrent calls and 250,000 busy hour call attempts, and transport capacity for 336 simultaneous calls via outside trunks. Colton Telephone Company takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

**Colton Telephone Company**  
**Terms & Conditions of Voice Telephony Lifeline Plans**  
**FCC Form 481 Line 1210**

The Lifeline program for Colton Telephone Company is administered by the Oregon Public Utility Commission (OPUC), through the Oregon Telephone Assistance Program (OTAP). Potential customers apply directly with the OPUC to qualify for a credit of up to \$12.75, which is applicable to eligible telephone plan charges. The OPUC notifies Colton Telephone of customer eligibility. Customers can choose any telephone plan offered by Colton Telephone Company and will continue to receive the Lifeline credit until Colton Telephone is notified by the OPUC that they are no longer eligible, or until the customer disconnects service. The OPUC application for Lifeline service, which details the terms and conditions of the plan, is included on the following four pages.

**54.313 Lifeline customers MOU and additional toll charges**

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Colton Telephone Company subscriber, are free to choose their own toll usage plans through IXC's that serve Colton Telephone Company.

TEXT SIZE: A+ A- A • TEXT ONLY TRANSLATE

Find

## Public Utility Commission (Home)

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Electric/Natural Gas

Hearings Division

Oregon Telephone  
Assistance Programs

Safety

Telecommunications

Water

Board of Maritime Pilots

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Jobs at PUC

**Oregon Lifeline (Oregon Telephone Assistance Program)**

The Oregon Public Utility Commission (PUC) manages the Oregon Lifeline program. If you qualify, this federal and state government assistance program reduces your monthly residential/landline or wireless phone bill by \$12.75.

[List of residential/landline and wireless companies that provide the Oregon Lifeline benefit](#)

**How to Apply for Lifeline:****Using Online Application:**

Submit your application online if you or a member of your household participates in one of the following programs:

- Supplemental Nutrition Assistance Program; Food Stamps (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Supplemental Security Income (SSI)
- State Medical Programs (at or below 135% of federal poverty guidelines)
- Medicaid

**Using Printed Application:**

Complete and send a printed application to our office with the current documentation if you or a member of your household participates in one of the following programs or meets the income requirements:

- National School Lunch Program; Free Lunch Program Only (NSLP)
- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Total household income is at or below 135% of federal poverty guidelines

**Click Here to  
Apply Online**

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Print Application**

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[Contact Oregon Lifeline \(RSPF\)](#)

**OREGON.GOV**

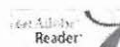
State Directories  
Agencies A to Z  
Oregon Administrative Rules  
Oregon Revised Statutes  
Oregon - an Equal Opportunity Employer  
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**WEB SITE LINKS**

Text Only Site  
Accessibility  
Oregon.gov  
File Formats  
Privacy Policy  
State Agency List  
Web Site Feedback

**PDF FILE ACCESSIBILITY**

Adobe Reader, or equivalent, is required to view PDF files. Click the "Get Adobe Reader" image to get a free download of the reader from Adobe.



**COLTON TELEPHONE COMPANY**  
2015 Annual 54.313 Report of High-Cost Recipient

Line 3010 Documentation – In compliance with 54.313(f)(1)-Milestone Certification

Date: June 10, 2015

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

RE: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient  
54.313(f)(1) "Milestone Certification"

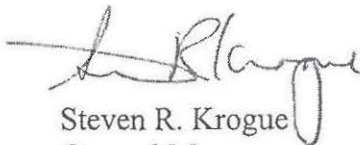
Dear Ms Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that Colton Telephone Company:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream;
- Provides latency suitable for real-time applications including VOIP and usage capacity which is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

If there are questions, I may be contacted at 503-824-3211.

Sincerely,



Steven R. Krogue  
General Manager  
Colton Telephone Company



**COLTON TELEPHONE COMPANY**  
2015 Annual 54.313 Report of High-Cost Recipient

Line 3012 Documentation – In compliance with 54.313(f)(1).

PER USAC FAQ 72, “In the USF/ICC Transformation Order (FCC 11-161), paragraph 52, it states the following, “We will also require CAF recipients to report on the number of community anchor institutions that newly gain access to fixed broadband services as a result of CAF support.” **Thus a carrier should include all community anchor institutions to which the carrier has made broadband available, regardless of whether the community anchor institution chooses to subscribe to the service.**

**Anchor Institutions within Colton Telephone’s Territory**

The only anchor institution in the Colton Telephone service territory is a single school district with three separate locations: Primary School, Middle School, and High School. There are no libraries, colleges, medical facilities or other community support organizations.

Access to broadband services was available prior to 2014 to all known anchor institutions. All requests for broadband services, and speed, were fulfilled in 2014. Colton Telephone Company continues to monitor customer demand and technological innovation, planning to size its network in anticipation for higher speed broadband services.

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

BORROWER NAME

Colton Telephone Company

(Prepared with Audited Data)

# OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

TRUCTIONS-Submit report to RUS within 30 days after close of the period.  
detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

December, 2014

BORROWER DESIGNATION

OR0521

## CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Stephanie Sauvageau

3/27/2015

DATE

## PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>URRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash and Equivalents	631,554	286,034	25. Accounts Payable	129,996	554,406
Cash-RUS Construction Fund	63,410	2,891,508	26. Notes Payable		
Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable	32,114	16,425	28. Customer Deposits	2,536	2,501
b. Other Accounts Receivable	177,248	264,389	29. Current Mat. L/T Debt	52,588	55,178
c. Notes Receivable	0	0	30. Current Mat. L/T Debt-Rur. Dev.		
Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities	156,536	178,836
Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	341,656	790,921
Material-Regulated	19,761	11,644	<b>LONG-TERM DEBT</b>		
Material-Nonregulated	43,355	21,441	36. Funded Debt-RUS Notes	583,300	4,724,089
Prepayments	37,212	175,095	37. Funded Debt-RTB Notes		
Other Current Assets			38. Funded Debt-FFB Notes		
<b>Total Current Assets (1 Thru 9)</b>	<b>1,004,654</b>	<b>3,666,536</b>	39. Funded Debt-Other		
<b>NCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development		118,953	42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	620,757	585,042	46. Total Long-Term Debt (36 thru 45)	583,300	4,724,089
Nonregulated Investments	155,429	81,721	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
Other Noncurrent Assets			47. Other Long-Term Liabilities	58,348	64,018
Deferred Charges			48. Other Deferred Credits		
Jurisdictional Differences			49. Other Jurisdictional Differences		
<b>Total Noncurrent Assets (11 thru 16)</b>	<b>776,186</b>	<b>785,716</b>	50. Total Other Liabilities and Deferred Credits (47 thru 49)	58,348	64,018
<b>ANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
Telecom, Plant-in-Service	8,231,938	10,152,328	51. Cap. Stock Outstand. & Subscribed		
Property Held for Future Use			52. Additional Paid-in-Capital		
Plant Under Construction	27,249	0	53. Treasury Stock		
Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
Less Accumulated Depreciation	5,384,125	5,192,018	55. Other Capital		
<b>Net Plant (18 thru 21 less 22)</b>	<b>2,875,062</b>	<b>4,960,310</b>	56. Patronage Capital Credits	3,672,598	3,833,534
<b>TOTAL ASSETS (10+17+23)</b>			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)	3,672,598	3,833,534
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		
	4,655,902	9,412,562		4,655,902	9,412,562

Total Equity = 40.73% % of Total Assets

<p>USDA-RUS</p> <p><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p>	<p>BORROWER DESIGNATION</p> <p>OR0521</p> <p>PERIOD ENDING</p> <p>December, 2014</p>
<p>INSTRUCTIONS- See RUS Bulletin 1744-2</p>	

**PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS**

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	565,284	367,643
2. Network Access Services Revenues	1,741,337	1,682,283
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	17,810	17,979
5. Miscellaneous Revenues	38,961	4,048
6. Uncollectible Revenues	(604)	(413)
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>	<b>2,363,996</b>	<b>2,072,366</b>
8. Plant Specific Operations Expense	603,282	638,885
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	49,823	54,937
10. Depreciation Expense	367,861	329,345
11. Amortization Expense		
12. Customer Operations Expense	126,528	128,252
13. Corporate Operations Expense	735,134	655,026
<b>14. Total Operating Expenses (8 thru 13)</b>	<b>1,882,628</b>	<b>1,806,445</b>
15. Operating Income or Margins (7 less 14)	481,368	265,921
16. Other Operating Income and Expenses		
17. State and Local Taxes	0	317
18. Federal Income Taxes		
19. Other Taxes	41,775	35,093
<b>20. Total Operating Taxes (17+18+19)</b>	<b>41,775</b>	<b>35,410</b>
21. Net Operating Income or Margins (15+16-20)	439,593	230,511
22. Interest on Funded Debt	38,071	48,944
23. Interest Expense - Capital Leases		
24. Other Interest Expense	9	
25. Allowance for Funds Used During Construction		
<b>26. Total Fixed Charges (22+23+24-25)</b>	<b>38,080</b>	<b>48,944</b>
27. Nonoperating Net Income	(25,377)	(35,716)
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	(16,917)	131,977
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>359,219</b>	<b>277,828</b>
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital	359,219	277,828
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	<b>0</b>	<b>0</b>
40. Patronage Capital Beginning-of-Year	3,482,664	3,672,598
41. Transfers to Patronage Capital	359,219	277,828
42. Patronage Capital Credits Retired	169,285	116,892
<b>43. Patronage Capital End-of-Year (40+41-42)</b>	<b>3,672,598</b>	<b>3,833,534</b>
44. Annual Debt Service Payments	264,224	104,631
45. Cash Ratio [(14+20-10-11) / 7]	0.6584	0.7298
46. Operating Accrual Ratio [(14+20+26) / 7]	0.8302	0.9124
47. TIER [(31+26) / 26]	10.4333	6.6764
48. DSCR [(31+26+10+11) / 44]	2.8959	6.2708

# OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

OR0521

PERIOD ENDED

December, 2014

## Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Colton	28.40	16.50	94	848	942	211.22	28.63
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			94	848	942	211.22	28.63
No. Exchanges	1						



# **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**

OR0521

PERIOD ENDED

December, 2014

INSTRUCTIONS - See RUS Bulletin 1744-2

## **Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION**

### **4. BROADBAND SERVICE**

#### **Details on Least Expensive Broadband Service**

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Colton	942	769	186	512	1,500	39.95	StandAlone	DSL
Total	942	769						

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>			BORROWER DESIGNATION OR0521  PERIOD ENDING December, 2014		
INSTRUCTIONS- See RUS Bulletin 1744-2					
<b>PART D. SYSTEM DATA</b>					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile	
5	4	62	15.19	4.46	
<b>PART E. TOLL DATA</b>					
1. Study Area ID Code(s)  a. 532364 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one)  <div style="display: flex; justify-content: space-between;"> <div>             Interstate: <input type="checkbox"/> Average Schedule               Intrastate: <input type="checkbox"/> Average Schedule           </div> <div> <input checked="" type="checkbox"/> Cost Basis   <input checked="" type="checkbox"/> Cost Basis           </div> </div>			
<b>PART F. FUNDS INVESTED IN PLANT DURING YEAR</b>					
1. RUS, RTB, & FFB Loan Funds Expended			1,731,370		
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)			830,025		
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)			2,561,395		
<b>PART G. INVESTMENTS IN AFFILIATED COMPANIES</b>					
INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development	118,953	0	118,953	0	118,953
2. Investment in Affiliated Companies - Nonrural Development					

<b>USDA-RUS</b> <b>OPERATING REPORT FOR</b> <b>TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION OR0521
	PERIOD ENDING December, 2014

<b>PART H. CURRENT DEPRECIATION RATES</b>	
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)	
<input checked="checked" type="checkbox"/> YES	<input type="checkbox"/> NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	11.40%
2. Land and support assets - Aircraft	11.40%
3. Land and support assets - Special purpose vehicles	11.40%
4. Land and support assets - Garage and other work equipment	7.50%
5. Land and support assets - Buildings	3.60%
6. Land and support assets - Furniture and Office equipment	7.23%
7. Land and support assets - General purpose computers	15.00%
8. Central Office Switching - Digital	11.90%
9. Central Office Switching - Analog & Electro-mechanical	6.30%
10. Central Office Switching - Operator Systems	6.30%
11. Central Office Transmission - Radio Systems	6.30%
12. Central Office Transmission - Circuit equipment	10.60%
13. Information origination/termination - Station apparatus	10.60%
14. Information origination/termination - Customer premises wiring	10.60%
15. Information origination/termination - Large private branch exchanges	10.60%
16. Information origination/termination - Public telephone terminal equipment	10.60%
17. Information origination/termination - Other terminal equipment	10.60%
18. Cable and wire facilities - Poles	6.00%
19. Cable and wire facilities - Aerial cable - Metal	5.80%
20. Cable and wire facilities - Aerial cable - Fiber	5.80%
21. Cable and wire facilities - Underground cable- Metal	4.60%
22. Cable and wire facilities - Underground cable- Fiber	5.30%
23. Cable and wire facilities - Buried cable - Metal	5.30%
24. Cable and wire facilities - Buried cable - Fiber	4.80%
25. Cable and wire facilities - Conduit systems	2.00%
26. Cable and wire facilities - Other	5.30%

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION OR0521</p> <p>PERIOD ENDED December, 2014</p>
INSTRUCTIONS – See help in the online application.	

**PART I – STATEMENT OF CASH FLOWS**

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	694,964
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
2. Net Income	277,828
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	329,345
4. Add: Amortization	0
5. Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	(71,452)
7. Decrease/(Increase) in Materials and Inventory	30,031
8. Decrease/(Increase) in Prepayments and Deferred Charges	(137,883)
9. Decrease/(Increase) in Other Current Assets	0
10. Increase/(Decrease) in Accounts Payable	424,410
11. Increase/(Decrease) in Advance Billings & Payments	0
12. Increase/(Decrease) in Other Current Liabilities	22,300
13. Net Cash Provided/(Used) by Operations	874,579
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
14. Decrease/(Increase) in Notes Receivable	0
15. Increase/(Decrease) in Notes Payable	0
16. Increase/(Decrease) in Customer Deposits	(35)
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	4,143,379
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	5,670
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20. Less: Payment of Dividends	0
21. Less: Patronage Capital Credits Retired	(116,892)
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	4,032,122
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
24. Net Capital Expenditures (Property, Plant & Equipment)	(1,893,141)
25. Other Long-Term Investments	(9,530)
26. Other Noncurrent Assets & Jurisdictional Differences	0
27. Other (Explain) Retirement of Plant Assets	(521,452)
28. Net Cash Provided/(Used) by Investing Activities	(2,424,123)
29. Net Increase/(Decrease) in Cash	2,482,578
30. Ending Cash	3,177,542

Revision Date 2010





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## CONFIRMATION

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**Congratulations. Your filing has been successfully certified.**

Filing 1 was successfully certified on Thu 18 Jun 15 04:44:36 PM EDT by [steve@coltontel.com](mailto:steve@coltontel.com).

SAC : 532364

SPIN : 143002616

Carrier Name : COLTON TEL CO

Program Year : 2016

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